

§ 1717.1206

recovery of debt. Such waivers or reductions in conditions and requirements under this section shall not include the exercise of any of the debt settlement measures set forth in § 1717.1204(c), which are subject to all of the requirements of said § 1717.1204.

§ 1717.1206 Loans subsequent to settlement.

In considering any future loan requests from a borrower whose debt has been settled in whole or in part (including the surviving entity of merged or consolidated borrowers, where at least one of said borrowers had its debts settled), it will be presumed that credit support for the full amount of the requested loan will be required. Such support may be in a number of forms, provided that they are acceptable to the Administrator on a case by case basis. They may include, but need not be limited to, equity infusions and guarantees of debt repayment, either from the applicant's members (in the case of a power supply borrower), or from a third party.

§ 1717.1207 RUS obligations under loan guarantees.

Nothing in this subpart affects the obligations of RUS under loan guarantee commitments it has made to the Federal Financing Bank or other lenders.

§ 1717.1208 Government's rights under loan documents.

Nothing in this subpart limits, modifies, or otherwise affects the rights of the government under loan documents executed with borrowers, or under law or equity.

PART 1718—LOAN SECURITY DOCUMENTS FOR ELECTRIC BORROWERS

Subpart A—General

Sec.

1718.1—1718.49 [Reserved]

Subpart B—Mortgage for Distribution Borrowers

1718.50 Definitions.

1718.51 Policy.

1718.52 Existing mortgages.

7 CFR Ch. XVII (1–1–99 Edition)

1718.53 Rights of other mortgagees.

1718.54 Availability of model mortgage.

APPENDIX A TO SUBPART B TO PART 1718— MODEL FORM OF MORTGAGE FOR ELECTRIC DISTRIBUTION BORROWERS

Subpart C—Loan Contracts With Distribution Borrowers

1718.100 General.

1718.101 Applicability.

1718.102 Definitions.

1718.103 Loan contract provisions.

1718.104 Availability of model loan contract.

APPENDIX A TO SUBPART C TO PART 1718— MODEL FORM OF LOAN CONTRACT FOR ELECTRIC DISTRIBUTION BORROWERS

AUTHORITY: 7 U.S.C. 901–950b; Pub. L. 103–354, 108 Stat. 3178 (7 U.S.C. 6941 *et seq.*).

Subpart A—General

§§ 1718.1—1718.49 [Reserved]

Subpart B—Mortgage for Distribution Borrowers

SOURCE: 60 FR 36888, July 18, 1995, unless otherwise noted.

§ 1718.50 Definitions.

Unless otherwise indicated, terms used in this subpart are defined as set forth in 7 CFR 1710.2.

§ 1718.51 Policy.

(a) Adequate loan security must be provided for loans made or guaranteed by RUS. The loans are required to be secured by a first mortgage lien on most of the borrower's assets substantially in the form set forth in appendix A of this subpart. At the discretion of RUS, this model form of mortgage may be adapted to satisfy different legal requirements among the states and individual differences in lending circumstances, provided that such adaptations are consistent with the policies set forth in this subpart.

(b) Some borrowers, such as certain public power districts, may not be able to provide security in the form of a first mortgage lien on their assets. In these cases RUS will consider accepting other forms of security, such as resolutions and pledges of revenues.

(c) RUS may require supplemental and amending mortgages to protect its

Rural Utilities Service, USDA

Pt. 1718, Subpt. B, App. A

security, or in connection with additional loans.

(d) RUS may also require such other security instruments (such as loan contracts, security agreements, financing statements, guarantees, and pledges) as it deems appropriate.

(e) All distribution borrowers that receive a loan or loan guarantee from RUS on or after August 17, 1995 will be required to enter into a mortgage with RUS that meets the requirements of this subpart. The concurrence of any other lenders secured under the borrower's existing mortgage may be required before the borrower can enter into a new mortgage.

§ 1718.52 Existing mortgages.

Nothing contained in this subpart amends, invalidates, terminates or rescinds any existing mortgage entered into between the borrower and RUS and any other mortgagees.

§ 1718.53 Rights of other mortgagees.

Nothing contained in this subpart is intended to alter or affect any other mortgagee's rights under an existing mortgage.

§ 1718.54 Availability of model mortgage.

Single copies of the model mortgage (RUS Informational Publication 1718 B) are available from the Administrative Services Division, Rural Utilities Service, United States Department of Agriculture, Washington, DC 20250-1500. This document may be reproduced.

APPENDIX A TO SUBPART B TO PART
1718—MODEL FORM OF MORTGAGE
FOR ELECTRIC DISTRIBUTION BOR-
ROWERS

RESTATED MORTGAGE AND SECURITY
AGREEMENT Made By And Between

Mortgagor

and UNITED STATES OF AMERICA and

MORTGAGEE

Dated as of _____

THIS INSTRUMENT GRANTS A SECURITY
INTEREST BY A TRANSMITTING UTILITY

THIS INSTRUMENT CONTAINS FUTURE
ADVANCE PROVISIONS

THIS INSTRUMENT CONTAINS AFTER-
ACQUIRED PROPERTY PROVISIONS

TABLE OF CONTENTS

GRANTING CLAUSES

FIRST
SECOND
THIRD
FOURTH
EXCEPTED PROPERTY

HABENDUM

ARTICLE I—DEFINITIONS & OTHER
PROVISIONS OF GENERAL APPLICATION

SECTION 1.01 Definitions
SECTION 1.02 General Rules of Construc-
tion
SECTION 1.03 Special Rules of Construction
if RUS is a Mortgagee
SECTION 1.04 Governing Law
SECTION 1.05 Notices

ARTICLE II

ADDITIONAL NOTES

SECTION 2.01 Additional Notes
SECTION 2.02 Refunding or Refinancing
Notes
SECTION 2.03 Other Additional Notes
SECTION 2.04 Additional Lenders Entitled
to the Benefits of This Mortgage
SECTION 2.05 Form of Supplemental Mort-
gage

ARTICLE III—PARTICULAR COVENANTS
OF THE MORTGAGOR

SECTION 3.01 Payment of Debt Service on
Notes
SECTION 3.02 Warranty of Title
SECTION 3.03 After-Acquired Property;
Further Assurances; Recording
SECTION 3.04 Environmental Requirements
and Indemnity
SECTION 3.05 Payment of Taxes
SECTION 3.06 Authority to Execute and De-
liver Notes, Loan Agreements and Mort-
gage; All Action Taken; Enforceable Ob-
ligations
SECTION 3.07 Restrictions on Further En-
cumbrances on Property
SECTION 3.08 Restrictions on Additional
Permitted Debt
SECTION 3.09 Preservation of Corporate
Existence and Franchises
SECTION 3.10 Limitations on Consolida-
tions and Mergers